

Message Text

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ACTION EB-08

INFO OCT-01 IO-13 ISO-00 SSO-00 NSCE-00 USIE-00 INRE-00

AGRE-00 CEA-01 CIAE-00 COME-00 DODE-00 FRB-03

H-01 INR-10 INT-05 L-03 LAB-04 NSAE-00 PA-01

CTME-00 AID-05 SS-15 STR-07 ITC-01 TRSE-00 SP-02

SOE-02 OMB-01 DOE-11 AF-10 ARA-10 EA-10 EUR-12

NEA-10 STRE-00 OIC-02 /148 W

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FM USMISSION GENEVA

TO SECSTATE WASHDC IMMEDIATE 7304

ALL WHEAT NEGOTIATING POSTS

LIMITED OFFICIAL USE SECTION 01 OF 02 GENEVA 04092

USOECD USMTN USEEC

PASS ELECTRONICALLY AGRICULTURE FOR HATHAWAY AND NOVOTNY
AND STR FOR STARKEY

E.O. 11652: N/A

TAGS: ETRD EAGR OCON

SUBJECT: WHEAT CONFERENCE: CHAIRMAN'S WORKING PAPER ON
COARSE GRAINS CONVENTION

REF.: GENEVA 3667

1. ON MARCH 15, COARSE GRAINS SUBCOMMITTEE CHAIRMAN
WRIGHT (CANADA) TABLED A WORKING PAPER ON A POSSIBLE
COARSE GRAINS TRADE CONVENTION MODELED PRIMARILY ON
EARLIER TABLED ARGENTINA PROPOSAL (REPORTED REFTEL) AS
AMENDED TO REFLECT COMMENTS BY OTHER MEMBERS OF SUB-
COMMITTEE.

2. MAJOR DIFFERENCES BETWEEN CHAIRMAN'S DRAFT AND
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ARGENTINE PAPER ARE AS FOLLOWS: (A) ADDS OBJECTIVE OF
CONTRIBUTING TO STABILITY OF WHEAT MARKET THROUGH
STABILIZATION OF COARSE GRAINS MARKET. (B) ADDS WORLD
FOOD SECURITY OBJECTIVE. (C) IS PROPOSED AS A CHAPTER
TO BE INCLUDED IN AN EVENTUAL WHEAT OR GRAINS TRADE
CONVENTION. (D) WOULD ESTABLISH AN ADVISORY SUBCOMMITTEE
ON (COARSE GRAINS) MARKET CONDITIONS (ASMC) TO REPORT

TO A MARKET REVIEW COMMITTEE (MRC), WHICH PRESUMABLY WOULD DEAL WITH BOTH COARSE GRAINS AND WHEAT UNDER TRADE CONVENTION. (E) ELIMINATES SPECIFIC REFERENCE TO A "CRITICAL POINT," LEAVING THE CONCEPT IN THE FORM OF AN "EXTREME MARKET SITUATION," TO BE IDENTIFIED BY THE ASMC AND REPORTED THROUGH THE MRC WHICH COULD RECOMMEND MUTUALLY ACCEPTABLE SOLUTIONS TO THE COUNCIL.

3. TEXT OF PAPER AS FOLLOWS:

BEGIN TEXT: TRADE CONVENTION

DRAFT (CHAPTER) (PART) ON COARSE GRAINS

ARTICLE ()

OBJECTIVES (SEE NOTE 1)

THE OBJECTIVES OF INCLUDING PROVISIONS RELATING TO COARSE GRAINS IN THIS CONVENTION ARE:

(A) TO FURTHER INTERNATIONAL COOPERATION IN ALL ASPECTS OF COARSE GRAINS;

(B) TO PROMOTE THE EXPANSION OF THE INTERNATIONAL TRADE OF COARSE GRAINS AND SECURE THE FREEST POSSIBLE FLOW OF LIMITED OFFICIAL USE

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THIS TRADE IN THE INTEREST OF BOTH EXPORTING AND IMPORTING MEMBERS AND THUS CONTRIBUTE TO THE DEVELOPMENT OF COUNTRIES, THE ECONOMIES OF WHICH DEPEND ON THE COMMERCIAL SALE OF COARSE GRAINS;

(C) TO CONTRIBUTE TO THE FULLEST EXTENT POSSIBLE TO THE STABILITY OF THE INTERNATIONAL COARSE GRAINS MARKET, AND THEREBY TO THAT OF THE INTERNATIONAL WHEAT MARKET, IN THE INTERESTS OF BOTH IMPORTING AND EXPORTING MEMBERS.

(D) TO CONTRIBUTE TO WORLD FOOD SECURITY, ESPECIALLY SAFEGUARDING THE INTERESTS OF DEVELOPING MEMBERS.

ARTICLE ()

CONSULTATIONS ON MARKET CONDITIONS

(1) IF THE ADVISORY SUBCOMMITTEE ON MARKET CONDITIONS ESTABLISHED UNDER ARTICLE (), IN THE COURSE OF ITS CONTINUOUS REVIEW OF THE COARSE GRAINS MARKET UNDER PARAGRAPH () OF ARTICLE (), IS OF THE OPINION THAT A SITUATION OF MARKET INSTABILITY (INCLUDING ABNORMAL PRICE

FLUCTUATIONS) HAS ARISEN, OR THREATENS IMMINENTLY TO
ARISE, OR IF SUCH A SITUATION IS CALLED TO THE ADVISORY
SUBCOMMITTEE'S ATTENTION BY ANY EXPORTING OR IMPORTING
MEMBERS, SUCH A SITUATION SHALL BE CONSIDERED AN "ALERT
POINT", AND THE ADVISORY SUBCOMMITTEE SHALL IMMEDIATELY
REPORT THE FACTS CONCERNED TO THE MARKET REVIEW COMMITTEE.

(2) IN SO INFORMING THE MARKET REVIEW COMMITTEE, THE
ADVISORY SUBCOMMITTEE SHALL INDICATE THE DEGREE OF MARKET
INSTABILITY WHICH, IN ITS VIEW, HAS ARISEN OR THREATENS
TO ARISE; IN PARTICULAR, WHETHER IT CONSIDERS THAT AN
EXTREME MARKET SITUATION EXISTS.

(3) IF THE ADVISORY SUBCOMMITTEE REPORTS TO THE MARKET
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SOE-02 OMB-01 DOE-11 AF-10 ARA-10 EA-10 EUR-12
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ALL WHEAT NEGOTIATIONS POSTS

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REVIEW COMMITTEE THAT AN EXTREME MARKET SITUATION EXISTS, THE MARKET REVIEW COMMITTEE SHALL MEET WITHIN FIVE DAYS TO REVIEW THE SITUATION. THE MARKET REVIEW COMMITTEE SHALL CONSIDER MEASURES TO BE ADOPTED BY MEMBERS IN ORDER TO CORRECT THE SITUATION AND, IF MUTUALLY ACCEPTABLE SOLUTIONS ARE ARRIVED AT, SHALL MAKE APPROPRIATE RECOMMENDATIONS TO THE COUNCIL.

ARTICLE ()

REPORTING AND RECORDING SEE NOTE 2

(1) THE COUNCIL SHALL DETERMINE APPROPRIATE METHODS FOR THE REGULAR REPORTING AND RECORDING IN EACH CROP YEAR OF TRANSACTIONS IN COARSE GRAINS BETWEEN MEMBERS, AND TRANS-LIMITED OFFICIAL USE

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ACTIONS BETWEEN MEMBERS AND NON-MEMBERS.

(2) IN ORDER TO FACILITATE THE OPERATION OF THE ADVISORY SUBCOMMITTEE ON MARKET CONDITIONS ESTABLISHED UNDER ARTICLE (), THE COUNCIL SHALL KEEP RECORDS OF INTERNATIONAL MARKET PRICES FOR COARSE GRAINS TRADED OR OFFERED IN SELECTED MARKETS, AND OF TRANSPORTATION COSTS.

(3) IN ORDER TO ASSIST THE ADVISORY SUBCOMMITTEE ON MARKET CONDITIONS IN ITS EXAMINATION OF MARKET PRICES, THE SECRETARIAT SHALL, ON THE BASIS OF INFORMATION AVAILABLE FROM MEMBER COUNTRIES AND OTHER SOURCES, AS WELL AS ANY ADDITIONAL DATA THAT WOULD BE CONSIDERED RELEVANT, PREPARE REGULAR REPORTS ON THE SITUATION IN THE WORLD MARKET FOR COARSE GRAINS.

(4) THE COUNCIL SHALL MAKE RULES OF PROCEDURE FOR THE REPORTS AND RECORDS REFERRED TO IN THIS ARTICLE. THOSE RULES SHALL PRESCRIBE THE FREQUENCY AND THE MANNER IN WHICH THOSE REPORTS SHALL BE MADE AND SHALL PRESCRIBE THE DUTIES OF MEMBERS WITH REGARD THERETO. THE COUNCIL SHALL ALSO MAKE PROVISION FOR THE AMENDMENT OF ANY RECORDS OR STATEMENTS KEPT BY IT, INCLUDING PROVISION FOR THE SETTLEMENT OF ANY DISPUTE ARISING IN CONNECTION THEREWITH. IF ANY MEMBER REPEATEDLY AND UNREASONABLY FAILS TO MAKE REPORTS AS REQUIRED BY THIS ARTICLE, THE MARKET REVIEW COMMITTEE SHALL ARRANGE CONSULTATIONS WITH THAT MEMBER TO REMEDY THE SITUATION.

ARTICLE ()

ESTIMATES OF REQUIREMENTS AND AVAILABILITY OF COARSE GRAINS (SEE NOTE 3)

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(1) BY () IN THE CASE OF NORTHERN HEMISPHERE COUNTRIES AND () IN THE CASE OF SOUTHERN HEMISPHERE COUNTRIES, EACH IMPORTING MEMBER SHALL NOTIFY THE COUNCIL OF ITS ESTIMATE OF ITS IMPORT REQUIREMENTS OF COARSE GRAINS IN THAT CROP YEAR. ANY IMPORTING MEMBER MAY THEREAFTER NOTIFY THE COUNCIL OF ANY CHANGES IT MAY DESIRE TO MAKE IN ITS ESTIMATE.

(2) BY () IN THE CASE OF NORTHERN HEMISPHERE COUNTRIES AND () IN THE CASE OF SOUTHERN HEMISPHERE COUNTRIES, EACH EXPORTING MEMBER SHALL NOTIFY THE COUNCIL OF ITS ESTIMATE OF THE COARSE GRAINS IT WILL HAVE AVAILABLE FOR EXPORT IN THAT CROP YEAR. ANY EXPORTING MEMBER MAY THEREAFTER NOTIFY THE COUNCIL OF ANY CHANGES IT MAY DESIRE TO MAKE IN ITS ESTIMATE.

(3) ALL ESTIMATES NOTIFIED TO THE COUNCIL SHALL BE USED FOR THE PURPOSE OF THE ADMINISTRATION OF THIS CONVENTION AND MAY ONLY BE MADE AVAILABLE TO EXPORTING AND IMPORTING MEMBERS ON SUCH CONDITIONS AS THE COUNCIL MAY PRESCRIBE. ESTIMATES SUBMITTED IN ACCORDANCE WITH THIS ARTICLE SHALL IN NO WAY BE BINDING.

(NOTE 1: IN A SINGLE TRADE CONVENTION FOR WHEAT AND COARSE GRAINS, THESE OBJECTIVES WOULD, WHERE APPROPRIATE, BE INCORPORATED WITH THOSE FOR WHEAT.)

(NOTE 2: THESE PROVISIONS COULD BE INCORPORATED IN THE APPROPRIATE ARTICLE DEALING WITH REPORTING AND RECORDING PROCEDURES RELATING TO WHEAT.)

(NOTE 3: THESE PROVISIONS COULD BE INCORPORATED IN THE APPROPRIATE ARTICLE DEALING WITH THE ESTIMATES OF REQUIREMENTS AND AVAILABILITIES OF WHEAT.)

END TEXT. VANDEN HEUVEL
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Message Attributes

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